Honolulu, Hawaii Februm 28, 2014

RE: H.B. No. 2371 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2371, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to reduce taxes on the State's lowest income residents by:

- (1) Amending the amount and threshold of the refundable food/excise tax credit;
- (2) Amending the income threshold allowing an individual to claim the income tax credit for low-income household renters, from \$30,000 to \$59,700, and increasing the amount of the credit from \$50 to \$146;
- (3) Creating a low-income tax credit to:
 - (A) Reduce state tax liability for low-income taxpayers by 50 percent if a taxpayer has federal adjusted gross income of at least 100 percent but not more than 125 percent of the federal poverty guidelines; and
 - (B) Eliminate state income tax liability for low-income taxpayers whose federal adjusted gross income is below the federal poverty guidelines; and

(4) Creating an earned income tax credit that allows taxpayers to claim a tax credit equal to an unspecified percentage of the federal earned income tax credit amount.

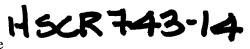
The Hawaii Alliance for Community-Based Economic Development, National Community Tax Coalition, Hawaii Appleseed Center for Law and Economic Justice, Aloha United Way, Hawaii Food Industry Association, Hawaii Catholic Conference, Pride At Work Hawaii, PHOCUSED, Partners In Care, UNITE HERE Local 5, Goodwill Industries of Hawaii, Inc., Hawaii Alliance for Retired Americans, Catholic Charities Hawaii, League of Women Voters of Hawaii, and several individuals supported this measure. The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2371, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance.



State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 2371, HD1	Committee Referral: HUS, FIN		Date: 2/26/2014	
☐ The committee is reconsidering its prev	ious decision on the measure.			
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. ING, Kaniela				
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand				
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee		tes un order		
11. ONISHI, Richard H.K.				- 1
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.				W 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth		Company of the congruence	*******	
17. WARD, Gene				
		-		
TOTAL (17)	15	1		
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				